



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA  
Chief Executive Officer

March 11, 2008

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**DEPARTMENT OF PUBLIC HEALTH: REQUEST TO INCREASE  
TENANT IMPROVEMENT ALLOWANCE AT  
600 SOUTH COMMONWEALTH AVENUE, LOS ANGELES  
(SUPERVISORIAL DISTRICT 2)  
(3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

Authorize the Director of the Department of Public Health (DPH), or his designee, to increase DPH's previously approved spending authority for Tenant Improvements (TI) at 600 South Commonwealth Avenue, Los Angeles by \$400,000, representing an increase in DPH's total lease maximum obligation for this location from \$2,600,225 to \$3,000,225, 100 percent funded by State and federal grant funding and budgeted net County cost identified in DPH's Fiscal Year (FY) 2007-08 Final Adopted Budget.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

As a result of changes required by the City of Los Angeles' Building and Safety Department to comply with Los Angeles City code requirements and upgrades to the electrical, heating, ventilation, and air conditioning (HVAC) systems, additional costs have been identified in the amount of \$400,000, which are needed to ensure that the building systems perform to the original equipment specifications and designs required by DPH. Upon approval of this Board action, DPH estimates a TI completion date of March 2008.

Board of Supervisors  
GLORIA MOLINA  
First District

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Second District

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Third District

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Fifth District

### **FISCAL IMPACT/FINANCING**

The \$400,000 in additional TI costs will be 100 percent funded by DPH's proposed use of State (\$59,000) and federal (\$298,000) grant funding and FY 2007-08 budgeted net County cost (\$43,000). Should federal and/or State funding become unavailable for this project, DPH will absorb the entire TI cost increase with existing budgeted resources.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

On April 19, 2005, your Board approved DPH entering into a ten-year lease with Commonwealth Enterprises (i.e., Landlord) for 103,300 square feet of office space including parking for 414 vehicles for DPH's HIV Epidemiology Program (HIV/EPI), Maternal, Child & Adolescent Health Programs (MCAH) and the Office of AIDS Programs and Policy (OAPP), at an initial annual cost of \$2,471,634, including costs for all parking and re-payment of TI and furniture. These initial costs were 100 percent offset with grant funds. The ten-year lease will, upon its commencement, consolidate three existing leases at the 600 South Commonwealth Avenue building under a new lease with renegotiated terms and conditions.

On June 19, 2007, your Board approved TI expenditures totaling \$2,600,525. To complete the TI project the Landlord will provide additional TI of \$400,000 and discretionary TI dollars up to a maximum of \$3,000,225.

DPH was first informed of these additional TI costs on January 30, 2008, and was forwarded cost information on February 6, 2008, to review and identify a financing source. DPH's Emergency Preparedness Response Program (EPRP), which will be occupying space in the facility, is working with the Centers for Disease Control and Prevention (CDC) to finance a portion of this cost increase in its revised spending plan. Additionally, DPH's OAPP has identified financing sources for this project. If any State and/or federal financing becomes unavailable to finance the cost increase, DPH is prepared to finance the increase with existing resources.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

It is the finding of DPH that the proposed request to increase TI funding by an additional \$400,000 is in the best interest of the County and will adequately provide the necessary funding to meet City code requirements.

Honorable Board of Supervisors  
March 11, 2008  
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**CONCLUSION**

The Department of Public Health requires four signed copies of your Board's action. It is requested that the Executive Officer, Board of Supervisors, notify DPH, Contracts and Grants Division, at (213) 240-8179 when this document is available.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W. T. Fujioka', with a stylized flourish at the end.

WILLIAM T FUJIOKA  
Chief Executive Officer

WTF:SRH:SAS  
MLM:RFM:bjs

c: County Counsel  
Director and Health Officer, Department of Public Health

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